



## Ministry of Mines Organizes 4th National Conclave on Mines & Minerals

The Ministry of Mines organized the 4th National Conclave on Mines & Minerals –attended by state Mining ministers, officials of central ministries as well as industry and academic experts.

- The conclave, first of its kind, will go a long way in strengthening the efforts of the Ministry in enabling the mining sector to contribute its fullest to foster the rapid growth of national economy and employment generation.

### Mining Sector in India

- Mining sector is one of the core sectors of economy - providing basic raw materials to many important industries.
- Mining sector (including fuel, atomic, major and minor minerals) contributed about 2.4% of GDP in 2014-15 as per the data released by Central Statistical Organization.
- Exploration activities in India are mostly carried out by Geological Survey of India (GSI), Mining Exploration Corporation Limited (MECL), various State Directorates of Geological Mining (DGMs), public sector undertakings (PSU) and private sector entities both domestic and subsidiaries of many global companies.
- The Mines & Minerals (Development & Regulation) Act, which governs the mineral sector, has been amended recently for bringing in greater transparency.
- Further, India has a liberalized FDI up to 100% in mining under automatic route.

### Recent Amendments to Mines & Minerals (Development & Regulation) Act

- Mineral Concessions Grant Through Auctions to bring transparency and remove discretion.
- DMF: District Mineral Foundation (DMF) to address the long time grievance of the people affected by mining and in turn improve the image of the mining sector.
- NMET: National Mineral Exploration Trust (NMET) for incentivizing regional and detailed exploration to fill the gaps in exploration in the country.
- Mining Leases for 50 years and even the existing leases deemed extended eliminating any renewals for security of tenure.
- To promote conducive environment for trade, stronger penal provisions for checking illegal mining with higher penalties up to USD 7692.30 per hectare of the area and jail term up to 5 years.

### National Mineral Exploration Policy, 2016

- About 100 blocks have been identified by GSI for auctioning on revenue sharing mechanism for regional exploration to encourage private participation in exploration.
- If the explorer agencies do not discover any auctionable resources, their exploration expenditure will be reimbursed on normative cost basis.
- The mechanism is being formulated in consultation with the stakeholders.

- Creation of baseline geoscientific data as a public good for open dissemination free of charge.
- A National Geoscientific Data Repository is proposed to be set up to collate all baseline and mineral exploration information generated by various central & state government agencies and also mineral concession holders and to maintain these on geospatial database.
- Provisions for inviting private investment in exploration through attractive revenue sharing models.

## Challenges Affecting Growth of Indian Mining Sector

- India's mining sector contribution to GDP is low compared to major mining countries such as China, the United States, Australia, Brazil and Chile.
- Further, in recent years India's mining sector has grown at a much slower rate as compared to other mining economies.
- Some of the Reasons for this are:
  - India lags in baseline geophysical and geochemical data generation.
  - Public and private mining companies face delays to the tune of several years to start mining on the identified land due to challenges in land acquisition and executing resettlement and rehabilitation.
  - Long clearance time for different licenses and limitations like captive use also hamper mining output.
  - Deep seated resources (e.g., coal) or minerals located in eco-sensitive areas have not been considered for mining due to lack advanced and eco-sensitive technology.
  - Often different interpretation of laws by states and central government, and inadequate communication results in confusion.

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